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Attorneys for Plaintiff Care One, LLC

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

CARE ONE, LLC

Civil Action No.

Plaintiff,

v.

ADINA STRAUS,

Defendant.

COMPLAINT

For its Complaint against Defendant Adina Straus, Plaintiff Care One, LLC ("Care One" or the "Company") alleges as follows:

NATURE OF THE ACTION

1. Care One files this action seeking equitable relief under the Employee Retirement Income Security Act of 1974 ("ERISA").

THE PARTIES

2. Care One is a Delaware limited liability company that, among other things, owns various sub-acute care, long term nursing care and assisted living facilities located throughout the State of New Jersey.

3. Upon information and belief, Defendant Adina Straus is a resident of New York. Ms. Straus is also the sister of Care One's Managing Member.

JURISDICTION AND VENUE

- 4. Care One's claim for relief arises under ERISA, 29 U.S.C. § 1001 et seq. Accordingly, this Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331.
- 5. Personal jurisdiction and venue in this district are proper pursuant to 28 U.S.C. § 1391(b) because Ms. Straus has sufficient minimum contacts with the State of New Jersey and a substantial part of the events or omissions giving rise to Care One's claim for relief occurred in this district. As set forth below, Care One's claim is based upon Ms. Straus' unauthorized participation in medical plan sponsored by Care One Management, LLC ("COM"), a New Jersey limited liability company whose sole member is Care One.

FACTUAL BACKGROUND

- 6. COM is the sponsor of a medical benefits plan entitled Care One Management Executive Medical Plan ("the Plan"). See Exhibit A (Summary Plan Document for the Plan).
- 7. COM is 100% owned by Care One. Accordingly, Care One is a fiduciary of the Plan under Section 3 of ERISA because it exercises authority or

control respecting management of the Plan and/or disposition of its assets. 29 U.S.C. § 1002(21)(A)(i).

- 8. Eligibility under the Plan is limited to "regular full-time Executive" employees of COM. An eligible employee may, however, enroll dependents in the Plan, including his or her spouse. See Exhibit A at 2.
- 9. Ms. Straus received medical benefits through the Plan as a dependent of her spouse, Mr. Rubin, who was a full-time executive employee of COM until September 30, 2009.
- 11. On September 30, 2009, Mr. Rubin's employment with COM ended and therefore, as of that date, he was ineligible to enroll himself or his dependents in the Plan as of that date, although, under COBRA, they could normally remain participants for at least 18 months but no more than 36 months. See 29 U.S.C. § 1162(2)(A).
- 12. Accordingly, at the latest, as of September 30, 2012, Ms. Straus was no longer eligible for coverage under the Plan. She was not (and has never been) a full-time executive employee of COM and, therefore, was never eligible for coverage herself. Nor was she a dependent of a covered employee as she was no longer Mr. Rubin's spouse and, in any event, Mr. Rubin was no longer an employee of COM.

13. Nonetheless, Ms. Straus has remained enrolled in the Plan, notwithstanding her ineligibility to do so, in clear violation of the terms of the Plan.

COUNT ONE

Equitable Relief under the Employee Retirement Income Security Act of 1974 (ERISA)

- 14. Care One repeats and realleges the foregoing allegations as if set forth here.
- 15. COM is 100% owned by Care One. Accordingly, Care One is a fiduciary of the Plan because it exercises authority or control respecting management of the Plan and/or disposition of its assets. 29 U.S.C. § 1002(21)(A)(i).
- 16. Section 502(a)(3) of ERISA provides that a fiduciary may bring a civil action "to obtain ... equitable relief ... to enforce ... the terms of the plan." 29 U.S.C. § 1132(a)(3).
- 17. As set forth above, Ms. Straus is not eligible for coverage under the Plan and has not been eligible since September 30, 2012, at the latest.
- 18. Only "regular full-time Executive" employees of COM are eligible for coverage under the Plan, although an eligible employee may enroll dependents in the Plan, including his or her spouse. <u>See</u> Exhibit A at 2.

- 19. Ms. Straus was not (and has never been) a full-time executive employee of COM and, therefore, was never eligible for coverage herself.
- 20. Mr. Rubin's employment with COM ended on September 30, 2009 and he himself was therefore ineligible to enroll himself or his dependents in the Plan as of that date.
- 21. Accordingly, under the terms of the Plan, Ms. Straus is not eligible for coverage under the Plan. <u>See</u> Exhibit A at 2.
- 22. Pursuant to 29 U.S.C. § 1132(a)(3), Care One seeks equitable relief against Ms. Straus to enforce the terms of the Plan and the imposition of appropriate equitable relief to address any benefit payments Ms. Straus received while not a proper plan participant.

WHEREFORE, Care One seeks the following relief on behalf of the Plan:

- a. A judgment stating Ms. Straus is not eligible for coverage under the Plan;
- b. A permanent injunction enjoining Ms. Straus from claiming benefits under the Plan or otherwise participating in the Plan; and
 - c. Such other equitable relief as the Court deems just and proper.

Respectfully submitted,

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Attorneys for Plaintiff Care One, LLC

By: <u>/s/ Rosemary Alito</u>
Rosemary Alito

Dated: August 24, 2015

CERTIFICATION UNDER L. CIV. R. 11.2

I certify that the matter in controversy is not the subject matter of any other action pending in any court or of any pending arbitration or administrative proceeding.

Respectfully submitted,

K&L GATES LLP

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Attorneys for Plaintiff Care One, LLC

By: /s/ Rosemary Alito
Rosemary Alito

Dated: August 24, 2015